



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

July 1, 2009

Mr. Josh Leftwich
Environmental Manager
Uranium Energy Corporation (UEC)
400 Mann Street, Suite 900
Corpus Christi, Texas 78401

RE: Weesatche Project, Goliad County
Uranium Exploration Permit No. 123B
Inspection Report

Dear Mr. Leftwich:

Enclosed is a copy of the report for the inspection completed on June 25, 2009, at UEC's Weesatche Project, Goliad County.

If you have any questions, please contact me at (512) 305-8813.

Sincerely,

A handwritten signature in blue ink that reads "Mark Schlimgen".

Mark Schlimgen, Manager
Inspection and Enforcement

MS/sdj
Enclosure



RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

URANIUM EXPLORATION INSPECTION REPORT

Project Name: Weesatche Permit Number: 123B

Permittee: UEC County: Goliad

Industry Representative(s) Present: James Gale

Inspector: Steve Meadows Date of Inspection: June 25, 2009

I. Field Conditions and Data Collection

Samples Collected: No ☒ Yes ☐ Sample Type: Water ☐ Soil ☐ Vegetation ☐

Average Temperature 90 Soil Condition Dry Date Last Rainfall N/A Wind Direction/
Velocity (Est.) Calm

Photographs Attached: No ☐ Yes ☒ (Complete Section IV)

II. Enforcement Action Taken

Notice of Violation Issued: No ☒ Yes ☐ NOV No. _____

Cessation Order Issued: No ☒ Yes ☐ CO No. _____



Steve Meadows

06/29/2009

Inspector Signature

Date

Mark Schiffer 6-29-2009

Reviewing Supervisor Signature

Date

Project Name: Weesatche
Permit Number: 123B
Inspection Date: June 25, 2009

III. Comments – Inspection Narrative

- *Document the area of the permit inspected*
- *Discuss observations made during the inspection*
- *Document the results of any field tests taken*
- *Provide a summary of any discussions with industry representatives, along with results, and expectations from those discussions*
- *Describe any enforcement action taken during the inspection, along with facts or evidence supporting the enforcement action*

This inspection of UEC Permit No. 123 focused on site restoration follow up on the Braquet section of the permitted exploration area. A subsided mud pit was located near an array of cased wells, as documented in Photo 1, pointing out the need for on-going monitoring of mud pits for this type problem as this area had been examined relatively recently with no subsidence noted. Numerous cased well and exploration borehole locations were examined with no further evidence of subsidence issues. Examples of typical site restoration efforts around cased wells are documented in Photos 2-3, where the cased wells were found to be properly secured with the casing capped or flanged closed with locks in many cases. The area surrounding the un-inhabited houses on the Braquet property was inspected as there were numerous drilling locations in close proximity to these structures as seen in Photos 4-5. Little evidence of exploration activity was currently visible near the houses during a circle of the area as documented in Photo 6. A field with numerous exploration boreholes to the north of the Ander church and cemetery was inspected on 5-21-08 and a typical example of the site restoration efforts at that time of borehole N-16 is seen in Photo 7. There remains little evidence of exploration activity in this field as documented in Photo 8 in which the church and cemetery are clearly visible. Despite the near 3 inches of rain noted during the May inspection at Permit No. 123, persistent drought conditions continue to hamper re-vegetation as seen in Photos 8-10. The drilling locations of boreholes N-255 and CC-4 were well vegetated on 7-16-08 but are seen to be significantly less so currently.

UEC representative James Gale stated that the subsided mud pit noted would be attended to as soon as possible and other areas examined for other instances of this type.

Project Name:	<u>Weesatche</u>
Permit Number:	<u>123B</u>
Inspection Date:	<u>June 25, 2009</u>

VI. Photographs



Photo 1: Subsided mud pit near cased well on Braquet lease.



Photo 2: Site restoration of cased wells on Braquet property.

Project Name:	Weesatche
Permit Number:	123B
Inspection Date:	June 25, 2009

VI. Photographs

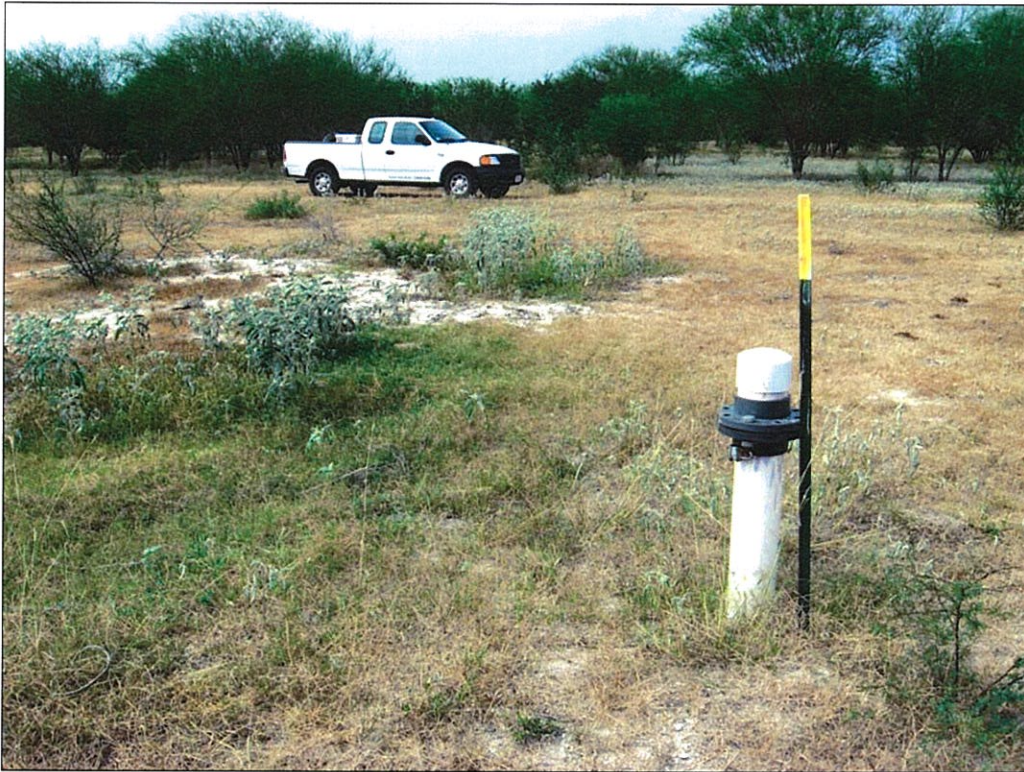


Photo 3: Cased well properly secured with cap locked on.



Photo 3: Exploration drilling location near old house on Braquet lease on 3-19-08.

Project Name:	Weesatche
Permit Number:	123B
Inspection Date:	June 25, 2009

VI. Photographs



Photo 4: Drilling location near Braquet house 3-19-08.



Photo 5: Houses on Braquet property with little evidence of exploration activity on 6-25-09.

Project Name: Weesatche
Permit Number: 123B
Inspection Date: June 25, 2009

VI. Photographs



Photo 6: Borehole N-16 with Ander church and cemetery visible on horizon on 5-21-08.



Photo 7: Ander church and cemetery, 6-25-09, with little evidence of exploration activity visible.

Project Name: Weesatche
Permit Number: 123B
Inspection Date: June 25, 2009

VI. Photographs



Photo 8: Boreholes N-255 and CC-4 on 7-16-08.



Photo 9: Borehole N-255 location 6-25-09.

Project Name: Weesatche
Permit Number: 123B
Inspection Date: June 25, 2009

VI. Photographs



Photo 10: Site restoration at borehole CC-4 on 6-25-09.